Government of Saskatchewan

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Weekly Cattle Market Update

For the Week Ending March 24, 2017

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)								
Feeder Steers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800-900**	**900+ lb.**
March 24/2017	Average	$221.40	$221.70	$213.25	$195.50	$177.93	$163.46	$156.38
March 24/2017	Range	207-232	211-234	203-224	187-209	168-190	157-169	154-159
week/week	Change	-$2.60	$4.32	$7.87	$6.00	$2.63	$1.56	$2.38
March 17/2017	Average	$224.00	$217.38	$205.38	$189.50	$175.30	$161.90	$154.00
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
March 24/2017	Average	$190.40	$193.33	$185.60	$173.60	$161.07	$152.03	
March 24/2017	Range	181-210	180-201	177-196	166-183	154-169	146-157	
week/week	Change	$7.30	$7.70	$5.60	$4.18	$2.87	$0.53	
March 17/2017	Average	$183.10	$185.63	$180.00	$169.42	$158.20	$151.50	

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Wednesday the current week. N.A. means not available due to lack of sufficient data.

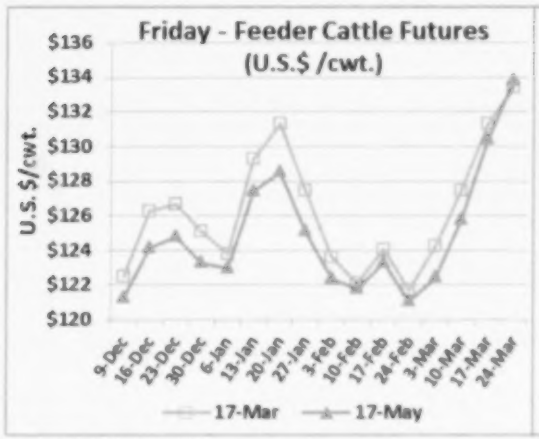
Canfax reported that a total of 19,345 head of cattle were sold in Saskatchewan this week, up from 11,340 head sold the previous week, and up from 14,348 head the same week a year ago.

Saskatchewan feeder steer prices were reported in all weight categories over the week with feeder steer prices primarily higher. Feeder steer prices ranged between $2.60 per cwt lower and $7.87 per cwt higher. The 500-600 lb. feeder steer weight category had the biggest gain; while the 300-400 lb. weight category had the only loss.

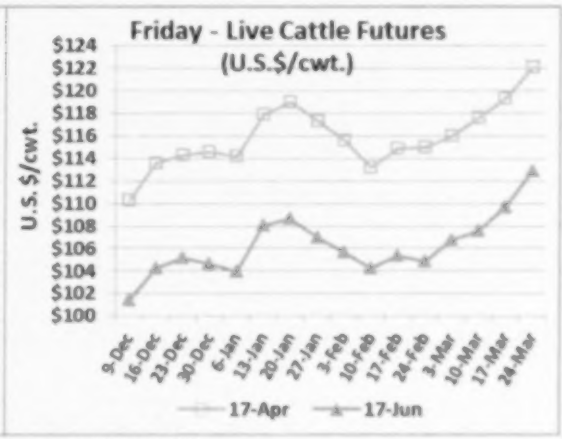
Saskatchewan feeder heifer prices were reported in all weight categories over the week with prices higher in all weight categories. Feeder heifer prices over the week increased between $0.53 per cwt and $7.70 per cwt from the previous week. The biggest price gain over the week was in the 400-500 lb. feeder heifer weight category; while there were no losses in any weight categories. Overall, feeder heifer prices averaged almost $5 per cwt higher from the previous week.

The Saskatchewan 750 lb. feeder steer basis compared to the March 23, 2017, U.S. feeder cattle index at US$132.46 per cwt was calculated at (+$0.70) per cwt ($177.93 - US$132.46/0.7474), a basis widening (negative) of $2.19 per cwt from (+$2.89) per cwt; compared to the previous week. Saskatchewan prices were less than $1 per cwt higher than the U.S. index price.

Feeder cattle daily futures prices were primarily higher over the week with big gains on Wednesday to help prices move higher, week-over-week. The March-to-May 2017 feeder cattle futures contracts increased between US$2.050 per cwt and US$3.950 per cwt; with the March contract increasing US$2.050 per cwt to settle Friday US$133.375 per cwt. The May 2017 contract increased US$3.425 per cwt to settle Friday at US$133.800 per cwt.



Source: CME, LMIC



Source: CME, LMIC

Live daily cattle futures prices were also primarily higher over the week with good gains Wednesday to help prices move higher, week-over-week. The nearby April contract increased US$2.775 per cwt to settle Friday at US$122.100 per cwt; while the June contract increased US$3.175 per cwt to settle Friday at US$112.850 per cwt.

Iowa cash corn prices settled Friday at US$3.15 per bushel, down nine cents from US$3.24 per bushel the previous Friday. Daily corn futures were primarily lower over the week to push prices lower, week-over-week. The May corn contract declined 11¼ cents per bushel to settle Friday at US$3.56 ¼ per bushel; while the July contract declined 11¼ cents to settle Friday at US$3.63¾ per bushel.

Fed and Non-fed Cattle

	March 24, 2017	March 17, 2017	Week over Week
Steers (Alberta)			
Live	$170.66	$167.52	+$3.14
Rail	$283.50 to $283.75	$278.00 to $280.50	+$5.50 to +$3.25
Cows (Alberta)			
D1,2 Live	$103.63	$100.90	+$2.73
D3 Live	$90.56	$90.30	+$0.26
Rail	$195-200	$191-196	+$4.00

Source: Canfax. (n/a = not available, n/c = no change)

Prices for liveweight, non-fed cattle in Alberta were higher over the week. The price of D1,2 slaughter cows increased $2.73 per cwt to average $103.63 per cwt, while the price of D3 slaughter cows increased $0.26 per cwt to average $90.56 per cwt.

Fed cattle prices for Alberta fed steers were reported to average $170.66 per cwt over the week, up $3.14 per cwt from $167.52 per cwt the previous week. Fed steer prices last week rebounded to price levels not achieved since June 2016.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$130.91 per cwt, up US$2.21 per cwt or 1.8 per cent from US$128.64 per cwt the previous week; but down 3.8 per cent from US$136.12 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$210.99 per cwt, up US$3.05 per cwt or 1.5 per cent from US$207.94 per cwt the previous week, but down 3.1 per cent from US$217.67 per cwt the same week a year ago.

Beef production for the week was estimated at 501.5 million lb., up 4.2 per cent from 481.1 million lb. the previous week, and up 12.7 per cent from 445.0 million lb. the same week a year ago. Cattle slaughtered over the week were estimated at 613,000 head, up 4.3 per cent from 588,000 head the previous week, and up 13.9 per cent from 538,000 head the same week a year ago.

On Friday March 24, the United States Department of Agriculture (USDA) released the monthly *Cattle on Feed Report* for March 1, 2017.

March 1, 2016 and 2017, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)

	2016	2017	Per cent of previous year
On feed February 1	10,709,000	10,782,000	100.68
Placed during February	1,710,000	1,694,000	99.06
Marketed during February	1,591,000	1,648,000	103.58
Other disappearance during February	58,000	56,000	96.55
On feed March 1	10,770,000	10,772,000	100.02

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in February 2017 was 1.694 million head, down almost one per cent from 1.710 million head in February 2016, and down 14.5 per cent from 1.981 million head placed in January 2017. The number of fed cattle marketed in February 2017 was 1.648 million head, up 3.6 per cent from 1.591 million head in February 2016, but down 5.9 per cent from 1.751 million head marketed in January 2017. The February cattle placements were slightly (0.3 per cent) above the average trade estimates (98.8), while the cattle marketed in February were almost equal with the average trade estimates (103.5). The cattle on feed for March 1, 2017 were estimated at 10.772 million head, slightly above the March 2016 inventory numbers of 10.770 million head, but slightly below the February 2017 numbers. The average trade estimates were estimating a very slight increase (100.1) from March 2016 to March 2017, very close to USDA's current estimates. With very little variation between the pre-report average trade estimates and the USDA's numbers; the USDA report will likely be viewed as relatively neutral.

USDA released the latest U.S. cold storage numbers on March 22, 2017. The U.S. beef stocks in cold storage totaled 502.4 million lb. on February 28, 2017, down 6.6 per cent from 537.9 million lb. on January 31, 2017, and down 0.8 per cent from 506.4 million lb. on February 29, 2016. However, beef stocks were above the previous February 12-year average and highs.

U.S. choice beef cutout prices (600-900 lb.) averaged US$223.12 per cwt over the week, up US$1.56 per cwt or 0.7 per cent from US$221.56 per cwt the previous week, and only down 1.5 per cent from US$226.62 per cwt the same week a year ago.

Friday Price Information

Product		This Week (March 24, 2017)	Week of: (March 17, 2017)	Week of: (March 25, 2016)
Canadian Dollar (closing rate US$)		.7474	.7498	.7553
U.S. Cash Cattle				
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		132.46	129.27	162.03
Seven-day Weighted Average FC Index Wt. (lb.)		800	800	763
Live Fed 5-area Steer Price (US$ per cwt)		130.91	128.64	136.12
Feed Grains				
Barley	Lethbridge ($/tonne)	160.00	159.00	208.00
	($ per bu.)	3.48	3.46	4.53
Corn	Iowa State Average (CDN$/tonne)*	168.03	170.11	176.69
	(US$ per bu.)	3.19	3.24	3.39
	Omaha, NE (CDN$/tonne)*	167.50	170.11	183.99
	(US$ per bu.)	3.18	3.24	3.53
Futures				
	May Corn (US$ per bu.)	3.56 ¼	3.67 ½	3.70
	July Corn (US$ per bu.)	3.63 ¾	3.75	3.74 ½
	April Live Cattle (US$ per cwt)	122.100	119.325	135.850
	June Live Cattle (US$ per cwt)	112.850	109.675	125.375
	March Feeder Cattle (US$ per cwt)	133.375	131.325	160.975
	May Feeder Cattle (US$ per cwt)	133.800	130.375	155.025

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate.

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